TEXAS AFL★CIO

DATE: August 17, 2026
TO: Texas Sunset Advisory Commission
FROM: Texas AFL-CIO
SUBJECT: Texas Workforce Commission/Texas Workforce Investment Council

The Texas AFL-CIO (American Federation of Labor and Congress of Industrial Organizations) is the state labor federation consisting of more than 250,000 affiliated union members and advocates for working people in Texas. The Texas Workforce Commission (TWC) is an agency of significant interest to our organization due to its direct impact on economic security, worker protections, and career opportunities. As the Texas Workforce Commission undergoes Sunset Commission review, our organization is closely monitoring several issues related to the agency's administration, oversight, and delivery of services. To that end, we would like the Commission to consider the following recommendations:

Department of Labor Registered Apprenticeship Programs
The Texas AFL-CIO remains committed to promoting high quality apprenticeship opportunities that includes an "earn while you learn" centered training, portable industry recognized credentials, and clear pathways for working Texans to have careers that provide a lifetime of good wages and benefits.

Department of Labor Registered Apprenticeship Programs (DOL RAPs) have been successfully training generations of skilled workers since 1937 and are considered the gold standard for training due to their rigorous requirements, strong worker protections, portability of skills, and proven outcomes. Currently, DOL RAPs, which vary in length from four to five years depending on the trade, have limited access to state funding. The main source of state aid comes via Texas Education Code Ch. 133 funding, administered by the Texas Workforce Commission and provides reimbursements equaling only a few dollars per apprentice per contact hour.

Although these programs have long proven their worth, state funding for DOL RAPs has lagged in comparison to other programs, including the Texas Industry Recognized Apprenticeship (TIRA) grant program, which conversely awards up to $10,000 per trainee for only up to six months of training. Although DOL RAPs are not prohibited from applying for this grant funding, the federal standards these programs follow make it difficult to limit training to only a six-month period required by the TIRA program.

Recommendation: *Examine existing state funding for Department of Labor Registered Apprenticeship Programs and how additional funding for these programs could grow our state's skilled workforce in high need skilled trades.*

Texas Industry Recognized Apprenticeship Programs
In 2023, the TWC created the Texas Industry Recognized Apprenticeship (TIRA) through agency rule, which was later put into law in 2025. The legislation codifying the rule into statute, included the following transparency requirements:

“[The Commission must establish rules to report] performance metrics, including completion rates and retention outcomes, for industry-recognized apprenticeship program participants trained or employed by a grant recipient using grant money awarded under this subchapter; timelines for performance metric data reporting by grant recipients under this subchapter; and a schedule by which the commission annually shall make aggregated performance metric data reported by grant recipients under this subchapter publicly available on the commission’s Internet website.”

On page 111 of the Sunset Advisory Committee’s Staff Report, it was recommended that TWC include TIRA reporting data in a broader annual report. While this is framed as an administrative efficiency measure, folding this statutorily required information into a much broader annual report is in opposition to the intent of the law. Preserving a standalone, an easily identifiable TIRA metrics report that is accessible to the public will help to ensure that there is a dedicated mechanism to evaluate this new program’s efficacy. It will also help determine if the funding appropriated to this program results in meaningful outcomes.

Recommendation: *Publicly post the information required in Labor Code Sec. 302.257(a)(3) on the Commission’s internet website annually, as outlined in the statute.*

Unemployment Insurance
Unemployment Insurance (UI) benefits serve as a critical safety net for Texans who lose employment. The Texas AFL-CIO is interested in TWC’s administration of UI benefits, including claims processing, appeals procedures, and accessibility for workers seeking assistance.

In Texas, UI benefit eligibility standards are more stringent than many other states and with lower maximum weekly benefit amounts. This makes it already difficult for many unemployed and underemployed workers to receive benefits. We believe that more should be done to expand accessibility to benefits.

Although there is much consideration in the Sunset Commission staff report on COVID-19 era instances of fraud, there is little prioritization on expanding access or reviewing existing eligibility standards. Instances of fraud must be addressed, however, the Commission and the Legislature must also focus on ensuring that the system is accessible to the Texans in need of benefits.

Recommendation: *Review accessibility of the unemployment insurance system and whether or not it adequately serves the people of our state.*

Wage Theft

Wage theft impacts workers through unpaid wages, overtime violations, and other unlawful employment practices. The TWC has oversight wage theft claims, but has limited ability to hold bad actors accountable due to a short 180-day statute of limitations and only having the ability to administer civil fines.

While the TWC self evaluation report highlighted that over 13,000 Payday Law cases have been investigated with about $6.5 million collected in owed wages in 2025, the Commission did not specify to what extent the agency was able to ensure that stolen wages were returned to the workers owed. TWC data shows a troubling trend in wage theft recovery. In 2022, 17.8% of the stolen wages ordered to be paid back were not received. This number grew to 28% in 2023. Even as TWC orders more money returned to workers each year, the rate of workers who do not receive the funds also increases.

Recommendation: *The Legislature should provide the TWC more enforcement authority, increase the statute of limitations to two years, create a dedicated wage theft unit that can focus solely on these issues, work with local governments to hold violators accountable, and revoke any applicable licenses, certificates, or pending applications from businesses that have failed to comply with a final adjudication from TWC in favor of the employee.*

Employee Misclassification
Employee misclassification occurs when workers are improperly classified as independent contractors rather than employees, resulting in the loss of important workplace protections and benefits, including:

- eligibility for unemployment insurance benefits,
- Workers' Compensation coverage, and
- wage and hour protections.

Additionally, misclassification is a form of tax evasion, with employers not paying their share of unemployment taxes if they wrongly classify their employees as contractors.

Current state law gives TWC some ability to fine employers who misclassify employees, however, the oversight is limited to employers with state contracts. At $200 per misclassified employee, fines for instances of misclassification are minimal.

Recommendation: *The TWC needs additional oversight authority over employee misclassification in order to ensure that employers follow the classification guidelines laid out by the agency.*

The Texas Workforce Commission plays a critical role in shaping workforce development, economic security, and workplace protections for millions of Texans, including many affiliated with the Texas AFL-CIO.

We encourage continued attention to the items listed above and consideration of the related recommendations. These issues have significant implications for workers and the state's economy and present opportunities to strengthen accountability, improve outcomes, and ensure Texas workers have the access to the resources they need to succeed.

If you have questions regarding these comments, please contact:

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